Evasion of Taxes by Oil Companies

(a) SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether the Calcutta Customs has issued a show cause notice to IOC to pay more than Rs. 2000 crores for alleged customs duty evasion on import of petroleum products as reported in the Statesman dated 8th April, 2000.

(b) if so, the details thereof;

(c) whether several public and private sector oil companies are evading various taxes to the tune of crores of rupees; and

(d) if so, whether Government would take necessary steps against all such oil companies; if so, the details thereof?

The Minister of State in the Ministry of Finance (Shri V. DHANANJAYA KUMAR) : (a) and (b) Yes, Sir. Calcutta Custom House has issued a show-cause notice to M/s. Indian Oil Corporation in which the total liability, inclusive of Customs duty, mandatory penalty and interest comes to more than Rs. 2000/- crore. The said show-cause notice has since been adjudicated and the demand of customs duty has been confirmed. Mandatory penalty equal to the Customs duty has been imposed and interest at the rate of 20% on the amount of duty has also been demanded.

© and (d) Customs Houses have come across cases of import of petroleum products by oil companies where costs incurred on several counts were not included in the assessable value under Section 14 of the Customs Act, 1962. Customs Houses, therefore, after investigation, initiate the adjudication proceedings. The steps that will be taken include issuance of show-cause notice, adjudication, imposition of suitable fines and penalty and recovery thereof.

New Reforms Policy for Banking Sector

(b) SHRI S. AGNIRAJ : Will the Minister of FINANCE be pleased to state :

(c) whether Government are contemplating to formulate a new Reform Policy in banking sector to improve their performance:

(d) if so. The details thereof;

(e) ©by when it is likely to be implemented: